provided for in the contract, the materials should not be issued except with the express authority of the Divisional Officer who should specify in each case the rate to be charged for the materials inclusive of delivery at the place where they are stored. The rate charged should be the market rate prevailing at the time of supply or the Issue Rate, whichever may be greater, and should include the storage charges. No carriage or incidental charges should be borne by Government in connection with the supply. (The intention of this rule is to prohibit the supply of materials to contractors with the object of giving them financial aid, the grant of which is governed by the rules in paragraph 553 of the Mysore Public Works Account Code).

(*c*) Issues of stock materials to contractors for *bona fide* use on works are exempt from the usual charge of 10 per cent levied on account of supervision, storage and contingencies, which is made when stock materials are sold to the public (paragraph 340 of the Mysore Public Works Account Code).

Necessary amendments to the Mysore Public Works Account Code will issue separately.

N. MADHAVA RAO,
Secretary to Government,
Finance Department.

EDUCATION SECRETARIAT

Sanctions the constitution of a Managing Committee for the Mysore Government Insurance Department.

READ—

Government Order No. Fl. 2738-41—G.F. 52-52-1, dated 31st May 1952, sanctioning, among others, the constitution of a Committee for examining in detail the scheme of reorganisation of the Mysore Government Insurance Department.

2. Government Order No Fl. 6788-6793—G.F. 174-52-3, dated 4th November 1952, sanctioning the reconstitution of the Mysore Government Insurance Committee and appointment of the General Manager, Mysore Government Insurance Department, as President of the said Committee, in place of the Secretary to Government, Education Department.

3. Un-official Note No. G.M. 5—54-55, dated 13th August 1954, from the General Manager Mysore Government Insurance Department, furnishing his remarks on the recommendation of the Insurance Reorganisation Committee for the constitution of a Managing Committee.

4. Government Order No. Fl. 3118-20—G.F. 88-54-1, dated 6th September 1954, sanctioning the continuance of the post of the General Manager, Mysore Government Insurance Department, up to 1st October 1954.

ORDER NO. FL. 3387-3394—G.F. 116-54-2, DATED BANGALORE, THE 30TH SEPTEMBER 1954.

The Insurance Reorganisation Committee has dealt with at length on the constitution, historical background, composition, duties and functions of the Mysore Government Insurance Committee in Chapter XI of its report and has made some valuable recommendations about the future set-up of the Insurance Committee, etc. These recommendations may be summed up as follows :—

(*a*) The constitution of the Mysore Government Insurance Committee as fixed by Government in their latest order dated 4th November 1952 calls for no change.

(*b*) At present, there is no need to change the *advisory* nature of the Insurance Committee and to introduce an element of administrative responsibility in its functions.

(*c*) A Managing Committee consisting of 3 Official Members and one Non-official Member may be constituted forthwith to transact business now done at Government level on the principle of delegation of powers with suitable safeguards, leaving settlement of questions of high policy and sanction of expenditure of a special nature not covered by budget allotment by reappropriation or otherwise specifically excluded from the powers of the Committee, for decision by the Government.

(*d*) There is no need to include a representative from the Agents of the Department in the constitution of the Insurance Committee.

(*e*) The Insurance Committee may function as an organic whole and deal with matters pertaining to Official, Public and Motor Branches of the Insurance Department.

2. One of the main recommendations of the Reorganisation Committee is about the setting up of a Managing Committee, which would be separate from the Mysore Government Insurance Committee, mainly with a view to creating a representative body, small in magnitude but effective in its functions, with powers to the extent vested in it, to carrying on administrative duties connected with the Department, at the level where Government is now passing orders. According to the Reorganisation Committee, the Managing Committee would serve as a body of functionaries who could be readily approached by the Department for an expeditious and timely solution of its various problems and difficulties. The Committee have reported that there was support for this idea from the representatives of the Agents' Associations and from non-official gentlemen who were examined by it as witnesses. The Managing Committee will have to exercise its functions on the principle of delegation of Governmental powers, it being vested with the power to dispose of in its corporate capacity matters of routine, and accord sanctions within budget allotments and also to deal out patronage, within certain specified limits, and issue departmental instructions from a higher level. The Reorganisation Committee has also recommended that, as a rule, questions in the nature of high policy and proposals in respect of items of a special nature the cost of which is not specifically provided for in the budget or otherwise, may be sent to Government for orders with the opinion of the Managing Committee. These recommendations are also concurred in by the General Manager, Mysore Government Insurance Department.

3. Government are in general agreement with the recommendation of the Reorganisation Committee in the matter of setting up a Managing Committee for the Insurance Department and are therefore pleased to order that, with immediate effect, a Managing Committee be constituted with the following members :—

(1) Sri B. V. Narayana Reddy, General Manager, The Bank of Mysore Ltd., Bangalore. (*Chairman*)

(2) The Secretary to Government, Education Department.

(3) The Secretary, Mysore Government Insurance Department, Bangalore. (*Convener*)

(4) and (5) Two Members (to be separately notified).

4. The Committee may send up proposals for defining its functions, duties and responsibilities in the light of the recommendations made by the Insurance Reorganisation Committee, for orders of Government. The Chairman of the Managing Committee will also be the President of the Mysore Government Insurance Committee with effect from 1st October 1954, the date from which the post of the General Manager is abolished.

5. Government also agree with the recommendation of the Insurance Reorganisation Committee that for the present the constitution of the Mysore Government Insurance Committee calls for no change and that it may continue to be advisory in its functions.

6. Regarding the recommendation that the Mysore Government Insurance Committee may function as an organic whole and deal with matters pertaining to Official, Public and Motor Branches of the Insurance Department, orders will issue separately.

B. M. KRISHNAN,
Secretary to Government,
Education Department.